

SENATE BILL NO. 100

INTRODUCED BY MANGAN

BY REQUEST OF THE DEPARTMENT OF ADMINISTRATION

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE MONTANA TITLE LOAN ACT TO PROHIBIT THE DEPARTMENT OF ADMINISTRATION FROM ISSUING OR RENEWING THE LICENSE OF AN APPLICANT IF THE CRIMINAL HISTORY OF THE EMPLOYEES OF AN APPLICANT FOR LICENSURE DEMONSTRATE ANY CONVICTIONS INVOLVING FRAUD OR FINANCIAL DISHONESTY OR IF THE DEPARTMENT'S FINDINGS SHOW ADVERSE CIVIL JUDGMENTS INVOLVING FRAUDULENT OR DISHONEST FINANCIAL DEALINGS; AND AMENDING SECTION 31-1-805, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 31-1-805, MCA, is amended to read:

"31-1-805. Qualifications for licensure. (1) To be eligible for licensure as a title lender, an applicant must be a natural person residing in this state, a business entity formed under the laws of this state, or a foreign business entity qualified to conduct business in this state.

(2) (a) The application for licensure must be in writing, under oath, and in the form prescribed by the department.

(b) The application must contain:

(i) the name of the applicant;

(ii) the date of formation if a business entity;

(iii) the physical address of each title loan office to be operated;

(iv) the name and resident address of the owner or partners or, if a corporation or association, of the directors, trustees, and principal officers; and

(v) any other pertinent information that the department may require.

(3) The department may not issue or renew a license if findings are made that the criminal history of any employees of the applicant at the time of application demonstrates any convictions involving fraud or FINANCIAL dishonesty or if the findings show civil judgments involving fraudulent or dishonest FINANCIAL dealings.

~~(3)~~(4) An applicant for licensure shall pay an application fee of \$500, unless less than 6 months remain

1 in the calendar year, in which case the fee is \$250, and an annual license renewal fee of \$500 for each title loan
2 office that the applicant intends to operate or operates in this state.

3 ~~(4)~~(5) (a) Each license must specify the location of the specific title loan office to which it applies and
4 must be conspicuously displayed in the title loan office.

5 (b) Before any title loan office location may be changed or moved by the title lender, the department
6 shall approve the change of location by endorsing the license for that title loan office or mailing the licensee a
7 new license for that title loan office without charge.

8 ~~(5)~~(6) (a) Upon the filing of the application and the payment of the fee by a person eligible to apply for
9 a title lender's license, the department shall issue a license to the applicant to engage in the title loan business
10 in accordance with the provisions of this part for a period that expires on the last day of December following the
11 date of its issuance.

12 (b) Each license must be uniquely numbered and may not be transferred or assigned. Renewal licenses
13 are effective for a period of 1 year.

14 ~~(6)~~(7) Each licensee shall post a bond in the amount of \$10,000 for each location. The bond must
15 continue in effect for 2 years after the licensee ceases operation in this state. The bond must be available to pay
16 damages and penalties to consumers harmed by a violation of this part.

17 ~~(7)~~(8) More than one place of business may not be maintained under the same license, but the
18 department may issue more than one license to the same licensee if the licensee is otherwise qualified."

19 - END -